

**Remarks of Howard “Skip” Elliott,
Administrator
Pipeline and Hazardous Materials Safety Administration
To the Meeting of the NMFTA**

June 12, 2018

Good Morning. Thanks for that warm welcome, and thanks for the opportunity to talk with you today about safety.

First, I want to commend the National Motor Freight Traffic Association for its proactive approach to safety. The establishment of processes designed to improve safety by non-profits and other private sector entities is a vital component of the sprawling safety picture.

I’ve been at PHMSA now for just over seven months. Our mission is to protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives.

Approximately one million shipments of hazardous materials traverse the nation every day. Considering this, overall safety is very good. In 2017, about 99.995 percent of these occurred without safety incident.

The problem is this: when each incident holds the potential for serious injury or death, very good is just a gentle way of saying, “Not quite good enough.” Our goal at PHMSA, which I believe

is achievable, is zero incidents. And despite the impressive percentage above, in 2017 we fell short of that goal more than 17,000 times. We cannot be complacent with performance that is very good. In a reversal of the old saw, complacency would make “very good” the enemy of the perfect, which is our goal.

As I was considering this speech over the weekend, the world of horseracing saw its 13th Triple Crown winner, a horse called, “Justify.” In the three races that he won to achieve this, Justify’s total margin of victory was four and three-quarters of a length – which translates to less than a single second. It occurred to me that at the highest level of performance, success must come at the margin.

PHMSA is, and will always remain, a regulatory agency. That is the core of our mission. But regulation alone will never get us to our goal, because success comes at the margin. Even perfectly conceived and flawlessly enforced regulations will not bring us to zero incidents.

The reasons for this are straightforward. First, hazardous materials have that name for a reason. The laws of chemistry and physics are absolute and immutable; our regulations designed to combat them are not. Second, our regulations must continuously adapt to changing contexts – a fact I have dwelt on while contemplating the coming advent of widespread use of autonomous transportation systems. The third reason is a bit deeper and more subtle: those changing contexts dictate that our regulations must be clear, flexible, and avoid becoming an accidental hindrance to safety innovations that keep pace with their technological environment.

These all boil down to one thing: zero incidents is a *maximum* goal. It will never be achieved by enforcing *minimum* standards. That is what it means to say that success comes at the margin.

That brings me back to the importance of a safety focus by organizations like NMFTA. It is indispensable to what PHMSA is trying to achieve, above and beyond what it can pursue through regulatory means. To attain the goal, or even to approach it significantly from where we stand now at 99.995 percent, we must obtain buy-in and full engagement from every person that participates in hazardous materials transport. This is the margin within which our success lies. We must alter the way they think about and perceive safety risks. In short, we must create a pervasive safety culture.

This necessity informs the activities that PHMSA pursues beyond its essential regulatory function. One of these is the encouragement and study of Safety Management Systems, which I know has been a focus during this meeting for many of you. The establishment of SMS will provide a basis for constant process improvement, which I firmly believe will result in measurable progress toward zero incidents. As an Association of operators, NMFTA is in ideal position to advance this concept rapidly. So I thank you again for focusing on it, and I pledge that PHMSA will be there to assist and support that effort.

Here at PHMSA, we are taking steps to recognize the adoption of safety management systems. While the pipeline side of our agency is somewhat farther ahead, the hazardous materials program is working to catch up. We have always been a

supporter of these systems, whether through ISO standards or industry best practices such as Responsible CAER™ or Responsible Distribution.

Finding ways to recognize companies that implement safety management systems and invest in safety provides a means for us to focus limited resources with those companies that choose to invest in safety and seek continuous improvement. To that end, the President's 2019 budget asks for funding to allow us to establish a compliance system pilot to test the limits of adopting recognition of such systems.

At PHMSA, our efforts to improve the safety record cut across the program. From our research and development efforts to our special permit activities, we are constantly looking for ways to collaborate with industry to reduce risk and improve safety.

Another non-regulatory PHMSA function is Research and Development efforts designed to identify safety-improving innovations and technology. PHMSA has 14 R & D projects ongoing, and another 15 slated for initiation by September 30th. We have invested almost \$93 million in general R & D projects that have since hit the market, among them 22 new patent applications.

Perhaps PHMSA's most impactful non-regulatory efforts are its ongoing efforts in training and education. Ensuring that every PHMSA employee has the requisite training means that you can expect consistency in the delivery of our services. We recently

expanded our hazardous materials class availability to our entire program and are beginning the work to establish performance standards for all our employees. This will compliment and build upon the existing inspector training program. We are also working on gaining accreditation similar to our pipeline program.

In addition to training our own people, PHMSA also trains inspectors and investigators from state organizations. PHMSA's Training and Qualifications Center in Oklahoma provides classroom training to an average of over 1,700 state and federal inspectors nationwide annually, and they've been pulling out the stops to handle the increased training needs stemming from a recent significant increase in federal and state inspection personnel. They're conducting simultaneous instructor-led courses to increase capacity and exploring new learning approaches, curriculum improvements, and delivery efficiency to ensure relevancy.

In addition, after an intense 15-month effort, the Training and Qualifications program received full accreditation from the International Association for Continuing Education and Training. The accreditation process consisted of a thorough audit and review of their operating practices related to training development, documentation, and delivery. Accreditation from IACET validates the Center's professional training efforts and allows PHMSA to issue continuing education units to its students.

The thread uniting these at-the-margin efforts is that they extend PHMSA's influence to other safety-minded professionals and

organizations. PHMSA can and does provide leadership in each of these areas; but leadership happens in layers. And when organizations like NMFTA come together to contribute to that effort, I see front-line hazardous materials professionals taking on the responsibility to provide that essential next layer. That solves for us the essential problem of at-the-margin efforts. Without those efforts, that next layer of dedication to safety – that extension of leadership – our leverage disappears.

So let me again thank you for stepping up to provide it.